

SENATE MOTION

MADAM PRESIDENT:

I move that Engrossed House Bill 1001 be amended to read as follows:

- 1 Page 10, between lines 7 and 8, begin a new paragraph and insert:
- 2 "SECTION 8. IC 6-1.1-12.1-2.5 IS AMENDED TO READ AS
- 3 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. (a) If a
- 4 designating body finds that an area in its jurisdiction is an economic
- 5 revitalization area, it shall either:
- 6 (1) prepare maps and plats that identify the area; or
- 7 (2) prepare a simplified description of the boundaries of the area
- 8 by describing its location in relation to public ways, streams, or
- 9 otherwise.
- 10 (b) After the compilation of the materials described in subsection (a),
- 11 the designating body shall pass a resolution declaring the area an
- 12 economic revitalization area. The resolution must contain a description
- 13 of the affected area and be filed with the county assessor. A resolution
- 14 adopted after June 30, 2000, may include a determination of the number
- 15 of years a deduction under section 3 of this chapter is allowed. In
- 16 addition, if the resolution is adopted after June 30, 2000, the resolution
- 17 may include a determination of the number of years a deduction under
- 18 ~~section 4.5~~ **section 4.5(g)** of this chapter is allowed.
- 19 (c) After approval of a resolution under subsection (b), the
- 20 designating body shall do the following:
- 21 (1) Publish notice of the adoption and substance of the resolution
- 22 in accordance with IC 5-3-1.
- 23 (2) File the following information with each taxing unit that has
- 24 authority to levy property taxes in the geographic area where the
- 25 economic revitalization area is located:
- 26 (A) A copy of the notice required by subdivision (1).
- 27 (B) A statement containing substantially the same information
- 28 as a statement of benefits filed with the designating body
- 29 before the hearing required by this section under sections 3 and
- 30 4.5 of this chapter.

The notice must state that a description of the affected area is available and can be inspected in the county assessor's office. The notice must also name a date when the designating body will receive and hear all remonstrances and objections from interested persons. The designating body shall file the information required by subdivision (2) with the officers of the taxing unit who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 at least ten (10) days before the date of the public hearing. After considering the evidence, the designating body shall take final action determining whether the qualifications for an economic revitalization area have been met and confirming, modifying and confirming, or rescinding the resolution. This determination is final except that an appeal may be taken and heard as provided under subsections (d) and (e).

(d) A person who filed a written remonstrance with the designating body under this section and who is aggrieved by the final action taken may, within ten (10) days after that final action, initiate an appeal of that action by filing in the office of the clerk of the circuit or superior court a copy of the order of the designating body and ~~his~~ **the person's** remonstrance against that order, together with ~~his~~ **the person's** bond conditioned to pay the costs of ~~his~~ **the person's** appeal if the appeal is determined against ~~him~~ **the person**. The only ground of appeal that the court may hear is whether the proposed project will meet the qualifications of the economic revitalization area law. The burden of proof is on the appellant.

(e) An appeal under this section shall be promptly heard by the court without a jury. All remonstrances upon which an appeal has been taken shall be consolidated and heard and determined within thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the appeal, and may confirm the final action of the designating body or sustain the appeal. The judgment of the court is final and conclusive, unless an appeal is taken as in other civil actions.

SECTION 9. IC 6-1.1-12.1-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.5. (a) For purposes of this section, "personal property" means personal property other than inventory (as defined in IC 6-1.1-3-11(a)).

(b) An applicant must provide a statement of benefits to the designating body. The applicant must provide the completed statement of benefits form to the designating body before the hearing specified in section 2.5(c) of this chapter or before the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment for which the person desires to claim a deduction under this chapter. The department of local government finance shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

(1) A description of the new manufacturing equipment, new

research and development equipment, new logistical distribution equipment, or new information technology equipment that the person proposes to acquire.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new research and development equipment, new logistical distribution equipment, or new information technology equipment;

an estimate of the number of individuals who will be employed or whose employment will be retained by the person as a result of the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment and an estimate of the annual salaries of these individuals.

(3) An estimate of the cost of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, an estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products by the new manufacturing equipment.

The statement of benefits may be incorporated in a designation application. Notwithstanding any other law, a statement of benefits is a public record that may be inspected and copied under IC 5-14-3-3.

(c) The designating body must review the statement of benefits required under subsection (b). The designating body shall determine whether an area should be designated an economic revitalization area or whether the deduction shall be allowed, based on (and after it has made) the following findings:

(1) Whether the estimate of the cost of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is reasonable for equipment of that type.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new research and development equipment, new logistical distribution equipment, or new information technology equipment;

whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably

expected to result from the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(3) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, whether the estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products can be reasonably expected to result from the installation of the new manufacturing equipment.

(5) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(6) Whether the totality of benefits is sufficient to justify the deduction.

The designating body may not designate an area an economic revitalization area or approve the deduction unless it makes the findings required by this subsection in the affirmative.

(d) Except as provided in ~~subsection (h)~~, **subsection (i)**, an owner of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment whose statement of benefits is approved after June 30, 2000, is entitled to a deduction from the assessed value of that equipment for the number of years determined by the designating body under subsection (g) **or (j)**. Except as provided in subsection (f) and in section 2(i)(3) of this chapter, the amount of the deduction that an owner is entitled to for a particular year equals the product of:

- (1) the assessed value of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment in the year of deduction under the appropriate table set forth in subsection (e); multiplied by
- (2) the percentage prescribed in the appropriate table set forth in subsection (e).

(e) The percentage to be used in calculating the deduction under subsection (d) is as follows:

- (1) For deductions allowed over a one (1) year period:

1	YEAR OF DEDUCTION	PERCENTAGE
2	1st	100%
3	2nd and thereafter	0%
4	(2) For deductions allowed over a two (2) year period:	
5	YEAR OF DEDUCTION	PERCENTAGE
6	1st	100%
7	2nd	50%
8	3rd and thereafter	0%
9	(3) For deductions allowed over a three (3) year period:	
10	YEAR OF DEDUCTION	PERCENTAGE
11	1st	100%
12	2nd	66%
13	3rd	33%
14	4th and thereafter	0%
15	(4) For deductions allowed over a four (4) year period:	
16	YEAR OF DEDUCTION	PERCENTAGE
17	1st	100%
18	2nd	75%
19	3rd	50%
20	4th	25%
21	5th and thereafter	0%
22	(5) For deductions allowed over a five (5) year period:	
23	YEAR OF DEDUCTION	PERCENTAGE
24	1st	100%
25	2nd	80%
26	3rd	60%
27	4th	40%
28	5th	20%
29	6th and thereafter	0%
30	(6) For deductions allowed over a six (6) year period:	
31	YEAR OF DEDUCTION	PERCENTAGE
32	1st	100%
33	2nd	85%
34	3rd	66%
35	4th	50%
36	5th	34%
37	6th	25%
38	7th and thereafter	0%
39	(7) For deductions allowed over a seven (7) year period:	
40	YEAR OF DEDUCTION	PERCENTAGE
41	1st	100%
42	2nd	85%
43	3rd	71%
44	4th	57%
45	5th	43%
46	6th	29%

1	7th	14%
2	8th and thereafter	0%
3	(8) For deductions allowed over an eight (8) year period:	
4	YEAR OF DEDUCTION	PERCENTAGE
5	1st	100%
6	2nd	88%
7	3rd	75%
8	4th	63%
9	5th	50%
10	6th	38%
11	7th	25%
12	8th	13%
13	9th and thereafter	0%
14	(9) For deductions allowed over a nine (9) year period:	
15	YEAR OF DEDUCTION	PERCENTAGE
16	1st	100%
17	2nd	88%
18	3rd	77%
19	4th	66%
20	5th	55%
21	6th	44%
22	7th	33%
23	8th	22%
24	9th	11%
25	10th and thereafter	0%
26	(10) For deductions allowed over a ten (10) year period:	
27	YEAR OF DEDUCTION	PERCENTAGE
28	1st	100%
29	2nd	90%
30	3rd	80%
31	4th	70%
32	5th	60%
33	6th	50%
34	7th	40%
35	8th	30%
36	9th	20%
37	10th	10%
38	11th and thereafter	0%
39	(f) With respect to new manufacturing equipment and new research	
40	and development equipment installed before March 2, 2001, the	
41	deduction under this section is the amount that causes the net assessed	
42	value of the property after the application of the deduction under this	
43	section to equal the net assessed value after the application of the	
44	deduction under this section that results from computing:	
45	(1) the deduction under this section as in effect on March 1, 2001;	
46	and	

(2) the assessed value of the property under 50 IAC 4.2, as in effect on March 1, 2001, or, in the case of property subject to IC 6-1.1-8, 50 IAC 5.1, as in effect on March 1, 2001.

(g) For an economic revitalization area designated before July 1, 2000, the designating body shall determine whether a property owner whose statement of benefits is approved after April 30, 1991, is entitled to a deduction for five (5) or ten (10) years. **Subject to subsection (j)**, for an economic revitalization area designated after June 30, 2000, the designating body shall determine the number of years the deduction is allowed. However, the deduction may not be allowed for more than ten (10) years. **Except as provided in subsection (j)**, this determination shall be made:

(1) as part of the resolution adopted under section 2.5 of this chapter; or

(2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application from the county auditor. A certified copy of the resolution shall be sent to the county auditor.

(h) A determination about the number of years the deduction is allowed that is made under ~~subdivision (1)~~: **subsection (g)(1)**:

(1) is final, **except as provided in subsection (j)**; and

(2) may not be changed by following the procedure under ~~subdivision (2)~~: **subsection (g)(2)**.

~~(1)~~ **(i)** The owner of new manufacturing equipment that is directly used to dispose of hazardous waste is not entitled to the deduction provided by this section for a particular assessment year if during that assessment year the owner:

(1) is convicted of a violation under IC 13-7-13-3 (repealed), IC 13-7-13-4 (repealed), or IC 13-30-6; or

(2) is subject to an order or a consent decree with respect to property located in Indiana based on a violation of a federal or state rule, regulation, or statute governing the treatment, storage, or disposal of hazardous wastes that had a major or moderate potential for harm.

(j) A designating body may adopt a resolution to extend the number of years the deduction is allowed beyond the number of years initially approved under subsection (g). If the designating body adopts a resolution under this subsection, the designating body must adopt the resolution during the year that ends on June 30 of the last year of deduction initially approved under subsection (g). The sum of the initially approved number of years of deduction and the number of years under the extension may not exceed ten (10) years. Beginning with the year of deduction that is the first year of the extension approved under this subsection, the deduction percentages under subsection (e) apply as if the initially approved number of years of deduction had instead been the sum of:

- (1) the initially approved number of years of deduction; plus
- (2) the number of years under the extension.

To continue to qualify for the deduction during the period of extension under this subsection, the deduction applicant must continue to meet all other requirements of this chapter during that period. An extension under this subsection does not affect the deduction amount to which the deduction applicant is entitled for the years that precede the first year of the extension. The designating body may adopt a resolution under this subsection only one (1) time with respect to the property for which the designating body initially approved a number of years of deduction under subsection (g).

SECTION 10. IC 6-1.1-12.1-4.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.7. (a) Section 4.5(f) of this chapter does not apply to new manufacturing equipment located in a township having a population of more than four thousand (4,000) but less than seven thousand (7,000) located in a county having a population of more than forty thousand (40,000) but less than forty thousand nine hundred (40,900) if the total original cost of all new manufacturing equipment placed into service by the owner during the preceding sixty (60) months exceeds fifty million dollars (\$50,000,000), and if the economic revitalization area in which the new manufacturing equipment was installed was approved by the designating body before September 1, 1994.

(b) Section 4.5(f) of this chapter does not apply to new manufacturing equipment located in a county having a population of more than thirty-two thousand (32,000) but less than thirty-three thousand (33,000) if:

- (1) the total original cost of all new manufacturing equipment placed into service in the county by the owner exceeds five hundred million dollars (\$500,000,000); and
- (2) the economic revitalization area in which the new manufacturing equipment was installed was approved by the designating body before January 1, 2001.

(c) A deduction under section 4.5(d) of this chapter is not allowed with respect to new manufacturing equipment described in subsection (b) in the first year the deduction is claimed or in subsequent years as permitted by section 4.5(d) of this chapter to the extent the deduction would cause the assessed value of all real property and personal property of the owner in the taxing district to be less than the incremental net assessed value for that year.

(d) The following apply for purposes of subsection (c):

- (1) A deduction under section 4.5(d) of this chapter shall be disallowed only with respect to new manufacturing equipment installed after March 1, 2000.
- (2) "Incremental net assessed value" means the sum of:

- 1 (A) the net assessed value of real property and depreciable
- 2 personal property from which property tax revenues are
- 3 required to be held in trust and pledged for the benefit of the
- 4 owners of bonds issued by the redevelopment commission of
- 5 a county described in subsection (b) under resolutions adopted
- 6 November 16, 1998, and July 13, 2000 (as amended November
- 7 27, 2000); plus
- 8 (B) fifty-four million four hundred eighty-one thousand seven
- 9 hundred seventy dollars (\$54,481,770).
- 10 (3) The assessed value of real property and personal property of
- 11 the owner shall be determined after the deductions provided by
- 12 sections 3 and 4.5 of this chapter.
- 13 (4) The personal property of the owner shall include inventory.
- 14 (5) The amount of deductions provided by section 4.5 of this
- 15 chapter with respect to new manufacturing equipment that was
- 16 installed on or before March 1, 2000, shall be increased from
- 17 thirty-three and one-third percent (33 1/3%) of true tax value to
- 18 one hundred percent (100%) of true tax value for assessment dates
- 19 after February 28, 2001.
- 20 (e) A deduction not fully allowed under subsection (c) in the first
- 21 year the deduction is claimed or in a subsequent year permitted by
- 22 section 4.5 of this chapter shall be carried over and allowed as a
- 23 deduction in succeeding years. A deduction that is carried over to a year
- 24 but is not allowed in that year under this subsection shall be carried over
- 25 and allowed as a deduction in succeeding years. The following apply for
- 26 purposes of this subsection:
- 27 (1) A deduction that is carried over to a succeeding year is not
- 28 allowed in that year to the extent that the deduction, together with:
- 29 (A) deductions otherwise allowed under section 3 of this
- 30 chapter;
- 31 (B) deductions otherwise allowed under section 4.5 of this
- 32 chapter; and
- 33 (C) other deductions carried over to the year under this
- 34 subsection;
- 35 would cause the assessed value of all real property and personal
- 36 property of the owner in the taxing district to be less than the
- 37 incremental net assessed value for that year.
- 38 (2) Each time a deduction is carried over to a succeeding year, the
- 39 deduction shall be reduced by the amount of the deduction that
- 40 was allowed in the immediately preceding year.
- 41 (3) A deduction may not be carried over to a succeeding year
- 42 under this subsection if such year is after the period specified in

1 section 4.5(d) of this chapter or the period specified in a resolution
2 adopted by the designating body under ~~section 4.5(h)~~ **section 4.5(j)** of
3 this chapter."

4 Renumber all SECTIONS consecutively.
(Reference is to EHB 1001 as printed February 24, 2006.)

Senator BRODEN